STATE OF MICHIGAN

COURT OF APPEALS

ANTHONY L. HOLSTINE,

Plaintiff-Appellee,

v

AMERICAN FELLOWSHIP MUTUAL INSURANCE COMPANY,

Defendant-Appellant.

UNPUBLISHED
October 14, 1997

No. 195679
Arenac Circuit Court
LC No. 94-004533-CK

Before: Cavanagh, P.J., and Holbrook, Jr. and Jansen, JJ.

PER CURIAM.

Defendant appeals as of right from a June 3, 1996, judgment in favor of plaintiff in this insurance contract dispute. We reverse and remand for further proceedings.

This case arises out of an automobile accident that occurred on September 21, 1993. Plaintiff was an occupant of the automobile, when he was involved in an accident and sustained bodily injury. Defendant, plaintiff's no-fault automobile insurer, refused to pay all personal protection insurance benefits, contending that plaintiff's independent health insurance benefits must be coordinated. Defendant paid coordinated benefits, but plaintiff contended that he was entitled to uncoordinated benefits because the declarations page failed to indicate that the medical and wage loss benefits were coordinated. The declaration page of the insurance policy states in relevant part:

> If the Declaration page shows Coordinated Medical Benefits, sums paid or payable to or for you or any relative shall be reduced by any amount paid or payable under any valid and collectible: individual, blanket or group disability or hospitalization insurance; . . .
>
> * * *
>
> If the Declaration page shows Coordinated Work Loss Benefits, sums paid or payable to or for you or any relative for loss of income from work shall be reduced by

> any amount paid or payable under any valid and collectible: individual, blanket or group accident or hospitalization insurance; . . .

The declaration page of the insurance policy indicates "MED/WAG" in the personal injury protection column.

Plaintiff moved for summary disposition under MCR 2.116(C)(10), arguing that there was no genuine issue of material fact because the declaration page did not indicate that there was a coordination of benefits. Defendant moved for summary disposition in its own favor pursuant to MCR 2.116(I)(2). Defendant contended that plaintiff requested and paid for coordinated benefits. Defendant argued that the reference "MED/WAG" on the declaration page, when considered in the context of other proofs, showed that plaintiff requested and bought coordinated medical and wage loss benefits. The trial court granted summary disposition in favor of plaintiff, essentially finding that the declarations page was not clear and was ambiguous, and did not show coordinated benefits. The trial court ultimately granted judgment in plaintiff's favor in the amount of $32,131.86 for damages and $4,153.64 for attorney fees and costs.

Defendant argues on appeal, as it did below, that plaintiff sought and purchased coordinated medical and wage loss benefits, and that he was not entitled to uncoordinated benefits. This case requires us to interpret the insurance policy. An insurance policy is much the same as any other contract. It is an agreement between the parties in which a court will determine what the agreement was and give effect to the intent of the parties. *Auto-Owners Ins Co v Churchman*, 440 Mich 560, 566; 489 NW2d 431 (1992). The court must look to the contract as a whole and give meaning to all terms. *Id.* Any clause in an insurance policy is valid as long as it is clear, unambiguous, and not in contravention of public policy. *Id.*, p 567. A court, however, may also consider the reasonable expectations of the insured. *Allstate Ins Co v Keillor (After Remand)*, 450 Mich 412, 417; 537 NW2d 589 (1995). A court must look at the policy language from an objective standpoint and determine whether an insured could have reasonably expected coverage. *Id.*

Here, defendant has introduced evidence that plaintiff sought and purchased coordinated medical and wage loss benefits. It is proper to consider the extrinsic evidence advanced by defendant in this case because the term "MED/WAG" on the declarations page is ambiguous. Therefore, the parties' intent must be ascertained and the agreement enforced according to that intent. *Churchman, supra*, p 566 (a court is to determine what the agreement was between the parties and effectuate the intent of the parties); *SSC Associates Ltd Partnership v General Retirement System of Detroit*, 210 Mich App 449, 452; 534 NW2d 160 (1995) (if there is a dispute regarding contractual language, the parties' intent must be ascertained and the agreement must be enforced according to that intent).

The application for automobile insurance attached to defendant's appellate brief shows that plaintiff had medical coverage and wage disability insurance. The application also shows that plaintiff purchased a coordinated personal injury protection policy. In purchasing a coordinated policy, plaintiff purchased a less expensive automobile no-fault insurance policy. Therefore, notwithstanding the use of the unclear term "MED/WAG" on the declaration page, it is clear that plaintiff applied for and purchased coordinated medical and wage loss benefits. Under these circumstances, plaintiff could not

have reasonably expected uncoordinated benefits coverage. See *Keillor, supra,* p 417. Moreover, defendant cannot be held liable for a risk that it did not assume. *Churchman, supra,* p 567. Because the insurance policy admits of but one reasonable interpretation, namely, that coordination-of-benefits coverage was in effect because it was shown on the declaration page, the trial court erred in entering judgment in favor of plaintiff.

The judgment in plaintiff's favor is vacated and we remand for summary disposition to be granted in favor of defendant pursuant to MCR 2.116(I)(2). We do not retain jurisdiction.

/s/ Mark J. Cavanagh
/s/ Donald E. Holbrook, Jr.
/s/ Kathleen Jansen